

The Very Good Food Company Announces New Production Facility, U.S. Wholesale Broker Relationship and Operational Update

Vancouver, British Columbia--(Newsfile Corp. - November 11, 2020) - The Very Good Food Company Inc. (**CSE: VERY**) (**OTCQB: VRYF**) (**FSE: 0SI**) ("**VGF**" or the "**Company**") is pleased to announce that it has signed a lease to secure a new production facility in Vancouver, British Columbia (the "Rupert facility").

Already built-out as a food production facility by its previous plant-based operator, the Rupert facility comprises approximately 45,000 square feet of production, refrigeration, warehousing, R&D and office space. The Rupert facility is expected to be capable of producing up to 37,000,000 lbs of annualized product to be phased in over the next year representing an approximate increase of 2690% over expected annualized production capacity of the Company's Victoria facility of 1,375,000 lbs per year.

The commissioning of the Rupert facility will become the key focus of the Company in the near-term. The Company anticipates the Rupert facility will benefit from close proximity to the Company's executive team and the comparatively less severe impact of COVID-19 currently experienced in Vancouver, British Columbia, than in Patterson, California. The Company believes these benefits will lead to a much shorter timeline to ramp up production with the Rupert facility's operations expected to commence in Q1 2021.

"The timely availability of the Rupert facility has presented us with a unique opportunity to address near-term demand while we work to operationalize our facility in Patterson, California," said Mitchell Scott, Chief Executive Officer. "We expect to be able to bring the Rupert facility online swiftly and add significant capacity to address current production shortfalls arising from strong demand for our products in Canada and the U.S." continued Mr. Scott.

The expected production capacity of the Rupert facility along with the various initiatives to optimize and increase production out of the Company's Victoria facility will help meet the continuous rise in wholesale demand for the Company's products currently anticipated. VGF's products are currently sold in approximately 275 retail outlets which represents 6% of the total number of retail stores of both smaller independent grocers and national grocery store chains including Whole Foods Markets, Fresh St. Market, Choices Markets and IGA. With a waiting list of more than 50 prospective wholesale partners, the demand in retail is driving our expected change to sell 70% of VGF's future production through wholesale channels, compared to 20% year-to-date, with current gross sales per pound ranging from \$7 to \$10 (\$15 to \$22 per kg).

The Company has signed a lease for the Rupert facility for an initial term of ten years with renewal options for two additional five year terms. The Company will take possession of the lease mid January 2021. Annual lease payments will be approximately \$881,528 in the first two years of the lease, \$961,306 in years three and four, \$1,007,177 in years five through seven, \$1,053,048 in the eighth and ninth year and \$1,098,919 in year ten. VGF will also pay a management fee to the landlord equal to 5% of the applicable base rent. The Rupert facility will require \$3 million in leasehold improvements over the next 12 months to improve process workflow, drainage and heating, ventilation and air conditioning. As assessment of the equipment needs and commissioning costs is underway with equipment orders for the first production line already in place.

Commissioning of the Rupert facility is dependent on, among other things, the mitigation of identified operational risks such as, but not limited to, onboarding the necessary labour and expertise, securing new wholesale relationships and meeting COVID-19 protocols going forward.

New U.S. Wholesale Broker Relationship

The Company is also pleased to announce a U.S. wholesale broker agency relationship with Good Now Foods, an established sales and marketing agent specializing in placing health food products in retailers across the West Coast of the U.S. Good Now Foods has been engaged to secure wholesale partnerships in the U.S. in advance of the production ramp up scheduled for 2021.

Update on Mount Pleasant, British Columbia, Canada and Patterson, California Facilities

With the signing of the lease for the Rupert facility, the Company has decided to strategically shift its use of the Mount Pleasant facility to be mainly that of R&D. The Mount Pleasant facility is expected to house the Company's second restaurant, a unique vegan butcher shop concept, along with space for R&D and offices. The Company believes that this investment in product development will allow for the rapid introduction of new innovative products into the market.

The design and layout for the Company's Mount Pleasant facility have been finalized. VGF is working with the City of Vancouver on the construction permits needed which are expected to be approved in the next six to eight months; with the opening planned three months following.

The Patterson, California facility has finished its initial layout design and the Company has recruited a plant manager with extensive experience in the food manufacturing industry to oversee its operations. The Patterson facility manager will undergo training at the VGF's Victoria facility and will help set up the Rupert facility over the next six to eight months to ensure cohesive practices throughout all of the Company's production locations.

About The Very Good Food Company

The Very Good Food Company Inc. is an emerging plant-based food technology company that designs, develops, produces, distributes and sells a variety of plant-based meat and other food alternatives. Our mission is to employ plant-based food technology to create products that are delicious while maintaining a wholesome nutritional profile. To date we have developed a core product line under The Very Good Butchers brand.

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Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking information. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Any such forward-looking information may be identified by words such as "proposed", "expects", "intends", "may", "will", and similar expressions. Forward-looking information contained or referred to in this news release includes, but is not be limited to: the expected annual production volume of the Rupert facility and related increase to the Company's planned annualized production capacity; the commissioning of the Rupert facility being a key focus of

the Company; management's belief that the facility's proximity to management and the comparatively less severe impact of COVID-19 in British Columbia will lead to an expedient launch of the Rupert facility; the anticipated timing for commencement of operations at the Rupert facility; the expectation that there will be continued strong demand for the Company's products and that the Rupert facility and Company's other initiatives will address potential production shortfalls; the expected change to the amount of product sold through wholesale channels; the lease possession date; Good NowFoods' ability to secure wholesale partnerships in the U.S.; expectations regarding production ramp up and the timing thereof; the estimated cost of leasehold improvements required at the Rupert facility; the anticipated use of the Mount Pleasant facility, including for R&D and to house a new restaurant; the expectation that new products can be introduced rapidly; the anticipated timing to receive permits from the City of Vancouver for the Mount Pleasant facility the anticipated timing for commencement of operations at the Company's Mount Pleasant facility.

Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Certain assumptions in respect of our ability to successfully market our products to customers, that added production capacity will enable us to increase our sales volume, our ability to maintain and expand distribution channels and capabilities, that our operating costs will not increase materially, that the impact of the COVID-19 pandemic in British Columbia does not materially worsen and that we do not experience material interruptions or supply chain failures as a result of COVID-19, our ability to retain key personnel, the availability of skilled labour, our ability to obtain financing on acceptable terms; and changes and trends in our industry or the global economy are material assumptions made in preparing forward-looking statements or information and management's expectations. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to: negative cash flow and future financing requirements to sustain operations; dilution; limited history of operations and revenues and no history of earnings or dividends; competition; economic changes; and the impact of and risks associated with the ongoing COVID-19 pandemic including the risk of disruption at the Company's facilities or in its supply and distribution channels. The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.



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